

AMENDED IN SENATE APRIL 22, 2003

**SENATE BILL**

**No. 926**

**Introduced by Senator Knight**

February 21, 2003

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~~An act to amend Sections 15325, 15346.4, 15346.8, and 65040.9 of the Government Code, relating to military bases. An act to amend Sections 15325, 15329, 15346.4, 15346.8, and 65040.9 of, to amend the heading of Article 3.9 (commencing with Section 15348) of Chapter 1 of Part 6.7 of Division 3 of Title 2 of, and to amend and renumber Sections 15333.6, 15333.7, and 15333.8 of, the Government Code, relating to technology development, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 926, as amended, Knight. ~~Military bases: conversion~~  
*Technology development.*

~~Existing~~

(1) *Existing* law establishes the California Defense Retention and Conversion Council in the Technology, Trade, and Commerce Agency with specified members and duties related to defense retention and conversion and military base reuse activities in the state. The council is authorized to apply for grants and seek contributions from private industry to fund its operations and is required to actively solicit private funds for specified purposes.

Existing law also establishes in the agency the Office of Military Base Retention, which is required to provide staff support to the council.

This bill would change the name of the Office of Military Base Retention to the Office of Military ~~Base~~ Support. This bill also would

authorize the office, rather than the council, to seek private funds for the operations of the office and the council. *The bill would establish the Military Support Account in the Special Deposit Fund in the State Treasury and require that any private funds the office accepts be deposited in that account. The bill would authorize the office to expend moneys in the account, without regard to fiscal years, for specified purposes of the office and the council, thereby making an appropriation.*

(2) *Existing law requires, subject to the appropriation of funds for this purpose, the Technology, Trade, and Commerce Agency to implement a space industry development program. The agency is required to contract with a nonprofit corporation to assist in its administration of these activities, according to specified criteria, as well as serve as the California Spaceport Authority. The corporation is required to issue solicitations for the existing California Space Industry Competitive Grant Program and evaluate grant proposals with the assistance of an impartial review panel to be established by the corporation, according to specified criteria. The Secretary of Technology, Trade, and Commerce is required to award grants based upon these criteria.*

*Existing law also establishes the California Space Industry Advisory Committee within the agency, to be composed of a specified membership, to provide input and recommendations on the competitive grant program and on space industry issues.*

*This bill would refer to the above described programs and committee as the space enterprise development program, the California Space Enterprise Competitive Grant Program, and the California Space Enterprise Advisory Committee, and make conforming and other technical changes.*

*This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~ <sup>2/3</sup>. Appropriation: ~~no~~ <sup>yes</sup>. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 15325 of the Government Code is
- 2 amended to read:
- 3 15325. The work of the agency shall be divided into at least
- 4 the following:
- 5 (a) The Office of Economic Research.

- 1 (b) The Office of Local Development.
- 2 (c) The Office of Business Development.
- 3 (d) The Office of Tourism.
- 4 (e) The Office of Small Business.
- 5 (f) The Film Office.
- 6 (g) The Office of Marketing and Communications.
- 7 (h) The Office of Strategic Technology.
- 8 (i) The International Trade and Investment Division, including
- 9 all of the following:
  - 10 (1) The Office of Foreign Investment.
  - 11 (2) The Office of Export Development.
  - 12 (3) The Office of California-Mexico Affairs.
  - 13 (4) The Office of Trade Policy and Research.
  - 14 (5) The California State World Trade Commission.
  - 15 (6) The international trade and investment offices.
  - 16 (7) The Export Finance Office.
  - 17 (j) California Field Offices.
  - 18 (k) The Office of Trade Policy and Research.
  - 19 (l) The Office of Permit Assistance.
  - 20 (m) The Office of Military Base Support.
  - 21 (n) The Division of Science, Technology, and Innovation.

22 SEC. 2. *Section 15329 of the Government Code is amended*  
23 *to read:*

24 15329. (a) There is hereby established within the  
25 Technology, Trade, and Commerce Agency the Division of  
26 Science, Technology, and Innovation. The Division of Science,  
27 Technology, and Innovation shall be under the supervision of a  
28 Deputy Secretary of Science, Technology, and Innovation who  
29 shall be appointed by, and serve at the pleasure of, the Governor.

30 (b) The deputy secretary's duties shall include, but not be  
31 limited to, all of the following:

32 (1) Oversight of the Division of Science, Technology, and  
33 Innovation.

34 (2) Responsibility for identifying science and technology  
35 trends, including, but not limited to, information technology,  
36 telecommunications, and e-commerce, that are significant to the  
37 state, particularly for small businesses, and, in consultation with  
38 the Small Business Competitiveness Council, developing a state  
39 strategy to address them. This shall be coordinated with the  
40 California Economic Strategy Panel.

1 (3) Working closely with industry, academia, and government  
2 to encourage technology research, development, transfer, and  
3 applications to particularly meet the needs of small businesses.

4 (4) Working closely with the federal government to maximize  
5 participation of state industries, small businesses, national  
6 laboratories, and universities in technology research, and in  
7 obtaining research and development funding.

8 (5) Working closely with private foundations to maximize  
9 participation of state industries, small businesses, national  
10 laboratories, and universities, including the University of  
11 California, the California State University, and private  
12 universities, in technology research and engineering, and in  
13 obtaining research and development funding.

14 (6) In consultation with the California Research and Funding  
15 Council, evaluating proposals for, and making recommendations  
16 on, the coordination, consolidation, or relocation of research and  
17 development programs throughout state government.

18 (7) Developing plans and implementing programs for  
19 improving access to early-stage capital investment, particularly  
20 for technology-based small businesses in the state.

21 (8) Coordinating state science and technology policies and  
22 programs.

23 (9) Participating in the development and management of the  
24 Small Business Development Center program.

25 (10) Developing and administering grant and matching grant  
26 programs that provide funding to appropriate public and private  
27 entities for increased access to digital technology for all citizens  
28 of the state.

29 (c) Notwithstanding any other provision of law, the Division of  
30 Science, Technology, and Innovation shall administer all  
31 programs established pursuant to Section 15333.2, ~~the California~~  
32 ~~Space and Technology Alliance established pursuant to Section~~  
33 ~~15333.3, the Highway to Space Program established pursuant to~~  
34 ~~Section 15333.4, the Office of Strategic Technology established~~  
35 pursuant to Section 15333.5, the Competitive Technology  
36 Advisory Committee established pursuant to former Section  
37 15333.6, the California Research and Funding Council established  
38 pursuant to Section 15333.10, the Small Business  
39 Competitiveness Council established pursuant to Section  
40 15333.11, *the space enterprise development program, the*

*California Spaceport Authority, and the California Space Enterprise Competitive Grant Program established pursuant to Article 3.9 (commencing with Section 15348), the Regional Technology Alliances established pursuant to Section 15379.2, the Challenge Grant Program established pursuant to Section 15379.3, the Technology Planning Program established pursuant to Section 15379.14, and the Manufacturing Technology Program established pursuant to Section 15379.15.*

(d) For purposes of this section, the following definitions shall apply:

(1) “Information technology” includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications that include voice, video, and data communications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

(2) “Technology” includes, but is not limited to, the application of science and engineering to research and development, especially for industrial or commercial objectives, in sectors that include telecommunications, information technologies, electronics, biochemistry, medicine, agriculture, transportation, space, and aerospace.

SEC. 3. *Section 15333.6 of the Government Code is amended and renumbered to read:*

~~15333.6.—~~

15348.2. (a) Subject to the availability of funds appropriated for that purpose, the Technology, Trade, and Commerce Agency shall implement a space ~~industry~~ *enterprise* development program to foster activities that increase the competitiveness of ~~the industry~~ *space enterprise* in California, including, but not limited to, the commercial use of space, space vehicle launches, space launch infrastructure, manufacturing, applied research, technology development, economic diversification, and business development.

(b) The agency may contract with other state or private agencies, nonprofit corporations, universities, firms, or individuals for the performance of technical or specialized work,

1 or for services related to space ~~industry~~ *enterprise* development  
2 programs.

3 (c) The Secretary of the Technology, Trade, and Commerce  
4 Agency shall select a California nonprofit corporation to assist the  
5 agency in its administration of space ~~industry-related~~ *enterprise*  
6 economic development activities through programs, projects,  
7 grants, partnerships, networks, and collaboration. The corporation  
8 shall be selected through a solicitation process established by the  
9 agency. The solicitation process shall include criteria for selection  
10 of the corporation, which shall include, but not be limited to,  
11 demonstrated experience in ~~the space industry~~ *enterprise* and the  
12 ability to perform ~~the space industry~~ *enterprise* development  
13 activities described in subdivision (d).

14 (d) The corporation may perform one or more of the following  
15 activities, as determined contractually between the agency and the  
16 corporation:

17 (1) Serve as the California Spaceport Authority with  
18 responsibilities specified in Section 15348.5.

19 (2) Pursue grants from the federal government or from private  
20 businesses, foundations, or individuals, for California space  
21 ~~industry~~ *enterprise* activities, including, but not limited to,  
22 studies, services, infrastructure improvements and modernization,  
23 and defense transition programs, to the extent permitted by law.

24 (3) Identify science and technology trends that are significant  
25 to ~~the space industry~~ *enterprise* and the state and act as a  
26 clearinghouse for space ~~industry-related~~ *enterprise* issues and  
27 information.

28 (4) Develop and implement a state strategy for applying and  
29 commercializing technology to create jobs, respond to industry  
30 changes, and foster innovation and competitiveness in ~~the space~~  
31 ~~industry~~ *enterprise*.

32 (5) Provide information to the secretary relevant to changes in  
33 federal, state, and local statutes and regulations that will enhance  
34 the development of ~~the California space industry~~ *enterprise in this*  
35 *state*.

36 (6) Provide information to the secretary, regarding the  
37 development of laws, regulations, decisions, or determinations  
38 affecting the economic and employment impacts of ~~the California~~  
39 ~~space industry~~ *enterprise in this state*.

(7) Provide recommendations to the secretary for appropriate state funding mechanisms and amounts to promote development of the California space industry enterprise in this state, including education and workforce development.

(8) Provide recommendations to the secretary in the form of strategic planning documents.

(9) Review applications for, and promote, the California Space Industry Enterprise Competitive Grant Program established by Section 15333.7 15348.3.

(e) (1) The agency and the corporation shall enter into an annual contract specifying the activities to be performed by the corporation.

(2) Pursuant to the contract, the corporation shall submit to the agency quarterly reports of its activities and finances. The quarterly reports shall be of sufficient detail for the agency to determine whether the corporation is in compliance with the annual contract between the agency and the corporation.

(3) The annual contract shall include conflict of interest requirements developed by the agency.

(4) Failure of the corporation to comply with the conditions in the annual contract, as evidenced in the quarterly reports and any supplemental monitoring of the corporation by the agency, shall result in the cancellation of the annual contract and deselection of the corporation. Upon the deselection of the corporation, the agency shall utilize the solicitation process set forth in subdivision (c) to select a replacement corporation.

SEC. 4. Section 15333.7 of the Government Code is amended and renumbered to read:

~~15333.7.—~~

15348.3. (a) The California Space Industry Enterprise Competitive Grant Program is hereby established within the Technology, Trade, and Commerce Agency, to provide funding, upon appropriation by the Legislature, for the development of the California space industry enterprise in this state. For purposes of this section, space industry enterprise activities shall include, but are not limited to, the commercial use of space, space vehicle launches, space launch infrastructure, manufacturing, applied research, technology development, economic diversification, and business development. Entities conducting activities in California intended to improve the competitiveness of the California space



1 ~~industry~~ *enterprise in this state*, including public, private,  
2 educational, commercial, nonprofit, or for-profit entities may  
3 apply for grants.

4 (b) (1) If program funding is appropriated by the Legislature,  
5 the corporation selected pursuant to subdivision (c) of Section  
6 ~~15333.6~~ 15348.2 shall, at least annually, issue solicitations. No  
7 solicitation shall be issued without the prior review and approval  
8 by the agency. If the corporation has not issued a solicitation within  
9 180 days of the appropriation of funds, the agency shall issue the  
10 solicitation.

11 (2) Solicitations developed by the corporation shall include  
12 minimum eligibility and requirements. Additional requirements  
13 may be added to each year's grant solicitation. The solicitation  
14 shall address at least all of the following:

15 (A) Jobs created and retained by the implementation of the  
16 project.

17 (B) Cost sharing by other project participants, which should  
18 include at least one of the following:

19 (i) A private sector company or companies.

20 (ii) One or more foundations, industry associations, or  
21 nonprofit cooperative associations, or any combination thereof.

22 (iii) In-kind support, which may include staff and facilities.

23 (iv) Federal or local government funding.

24 (C) A condition that grant funds will not be used to supplant  
25 other project funds.

26 (D) A demonstration that a majority of the project will be  
27 undertaken in California.

28 (E) An agreement among all project participants as to  
29 intellectual property rights relative to the project.

30 (F) The potential impact on the state's economy.

31 (G) The cost-effectiveness of the project.

32 (H) The importance of state funding for the viability of the  
33 project.

34 (I) A demonstration of technical feasibility and an assessment  
35 of programmatic risk.

36 (c) In evaluating grant proposals, the corporation shall  
37 establish an impartial review panel composed of technical and  
38 scientific experts and government representatives to review grant  
39 applications. The panel shall be composed of members from  
40 throughout the state who are knowledgeable about activities



1 related to the space industry enterprise. No more than 30 percent  
2 of the panel members shall be government representatives, and all  
3 other members shall either be actively involved in, or be technical  
4 and scientific experts in activities related to, the space industry  
5 enterprise. No more than 30 percent of the panel members shall be  
6 members of, or on the board of directors of, the corporation.

7 (d) (1) The review panel shall review all applications received  
8 by the deadline specified in the solicitation in order to determine  
9 the applications that are complete and that meet the criteria set  
10 forth in the solicitation. The review panel may rely on experts who  
11 are not part of the panel in order to determine compliance with one  
12 or more criteria.

13 (2) All applications meeting the criteria set forth in paragraph  
14 (1) shall be submitted to the agency.

15 (3) The agency may remove one or more applications from  
16 those submitted by the review panel upon a determination that the  
17 application did not meet the criteria set forth in paragraph (1). The  
18 agency shall rank the grant applications received from the review  
19 panel, minus any applications removed by the agency because of  
20 failure to meet the criteria. The ranking shall be based upon criteria  
21 stated in the solicitation. The ranking shall include  
22 recommendations as to the amount of state funding for each grant  
23 application.

24 (e) The secretary shall award program grants based upon the  
25 criteria set forth in paragraph (1) of subdivision (d) and  
26 recommendations of the committee established in Section ~~15333.8~~  
27 *15348.8*.

28 (f) The funding determination shall be transmitted to the  
29 Governor and the chairpersons of the Senate and Assembly fiscal  
30 committees and shall be subject to the availability of funds  
31 appropriated for that purpose.

32 (g) The solicitation process set forth in this section shall not be  
33 subject to Chapter 3.5 (commencing with Section 11340) of Part  
34 1.

35 (h) The Legislature hereby finds and declares that the granting  
36 of funds to private entities serves a public purpose by assisting an  
37 industry vital to the health and welfare of the State of California.

38 *SEC. 5. Section 15333.8 of the Government Code is amended*  
39 *and renumbered to read:*

40 ~~15333.8.~~—

1 15348.8. (a) The California Space Industry *Enterprise*  
2 Advisory Committee is hereby established in the Technology,  
3 Trade, and Commerce Agency. The committee shall consist of  
4 nine members. The Speaker of the Assembly and the Senate  
5 Committee on Rules shall each appoint two members. The  
6 Governor shall appoint the remaining members of the committee  
7 upon nomination by the Secretary of the Technology, Trade, and  
8 Commerce Agency, and shall appoint one member as chair. All  
9 members of the committee shall be California residents. One-third  
10 of the members shall be residents of northern California, one-third  
11 of the members shall be residents of southern California, and  
12 one-third of the members shall be residents of central California.  
13 A majority of the members of the committee shall be from ~~the~~  
14 ~~California space industry enterprise in this state.~~ The committee  
15 may include representatives from labor, local government, and  
16 special districts, public and private institutions of higher learning,  
17 and federal laboratories located in the State of California. One of  
18 the initial appointments by the Speaker of the Assembly, one by  
19 the Senate Committee on Rules, and two by the Governor shall be  
20 for a term of two years. The remaining initial appointments, and  
21 all subsequent appointments, shall be for a term of four years.

22 (b) Each committee member shall serve without compensation  
23 but may be reimbursed for actual and necessary travel and  
24 telecommunication expenses incurred when attending committee  
25 meetings.

26 (c) The committee shall advise the agency regarding both of the  
27 following:

28 (1) Provide input, evaluation, program funding  
29 recommendations, and other recommendations on the California  
30 Space ~~Industry Enterprise~~ Competitive Grant Program established  
31 by Section ~~15333.7~~ 15348.3.

32 (2) Provide recommendations on space ~~industry enterprise~~  
33 issues, as requested by the secretary.

34 (d) Staff for the committee shall be supplied by the agency, and  
35 records of the committee shall be maintained by the agency.

36 (e) The committee shall be subject to the Bagley-Keene Open  
37 Meeting Act (Article 9 (commencing with Section 11120) of  
38 Chapter 1 of Part 1 of Division 3 of Title 2). However, the  
39 Legislature finds and declares that it is important that committee  
40 members are active in ~~the space industry enterprise~~, and it is

1 expected that several of the committee members may also be  
2 members of other organizations.

3 (f) This section shall only be implemented to the extent funds  
4 are appropriated for that purpose.

5 *SEC. 6.* Section 15346.4 of the Government Code is amended  
6 to read:

7 15346.4. (a) The Secretary of Trade and Commerce shall  
8 serve as chairperson of the council.

9 (b) The Office of Military ~~Base~~ Support shall provide staff  
10 support to the council.

11 (c) It shall be the purpose of the council to provide a central  
12 clearinghouse for all defense retention, conversion, and base reuse  
13 activities in the state.

14 ~~SEC. 3.—~~

15 *SEC. 7.* Section 15346.8 of the Government Code is amended  
16 to read:

17 15346.8. (a) The council shall meet at the times and in places  
18 it deems necessary, but no less than once a quarter. Whenever  
19 possible, meetings shall be held in Sacramento in state facilities.

20 (b) Under no circumstances shall the council permit absentee  
21 or proxy voting at any of its proceedings. However, a vote by a  
22 designee, as provided in paragraphs (1) to (8), inclusive, of  
23 subdivision (a), and paragraphs (1) to (5), inclusive, of subdivision  
24 (d), of Section 15346.3, shall not be construed to be an absentee  
25 or proxy vote under this subdivision.

26 (c) Council members may receive reimbursement for travel  
27 costs directly related to council attendance if funding is available.

28 (d) The Office of Military ~~Base~~ Support shall apply for grants  
29 and may seek contributions from private industry to fund the  
30 operations of the office and the council.

31 (e) The Office of Military ~~Base~~ Support shall actively solicit  
32 and accept funds from industry, foundations, or other sources to  
33 promote and fund research and development of dual technologies,  
34 to identify alternative applications of military technologies, to  
35 initiate market research for identifying possible defense  
36 conversion products, to establish worker and business training  
37 programs, and to operate pilot projects to evaluate and  
38 demonstrate useful approaches. These efforts should be  
39 coordinated with the regional technology alliances.

40 ~~SEC. 4.—~~

(f) Any private funds the office accepts shall be deposited into the Military Support Account, which is hereby established in the Special Deposit Fund in the State Treasury. The office may expend moneys in the account, without regard to fiscal years, for the purposes specified in subdivisions (d) and (e) and for no other purpose. Records of funds received and expenditures made pursuant to this section shall be subject to public disclosure.

SEC. 8. The heading of Article 3.9 (commencing with Section 15348) of Chapter 1 of Part 6.7 of Division 3 of Title 2 of the Government Code is amended to read:

Article 3.9. ~~Designation of Spaceports~~ *Space Enterprise  
Development*

SEC. 9. Section 65040.9 of the Government Code is amended to read:

65040.9. (a) On or before January 1, 2004, the Office of Planning and Research shall, if sufficient federal funds become available for this purpose, prepare and publish an advisory planning handbook for use by local officials, planners, and builders that explains how to reduce land use conflicts between the effects of civilian development and military readiness activities carried out on military installations, military operating areas, military training areas, military training routes, and military airspace, and other territory adjacent to those installations and areas.

(b) At a minimum, the advisory planning handbook shall include advice regarding all of the following:

- (1) The collection and preparation of data and analysis.
- (2) The preparation and adoption of goals, policies, and standards.
- (3) The adoption and monitoring of feasible implementation measures.
- (4) Methods to resolve conflicts between civilian and military land uses and activities.
- (5) Recommendations for cities and counties to provide drafts of general plan and zoning changes that may directly impact military facilities, and opportunities to consult with the military base personnel prior to approving development adjacent to military facilities.

1 (c) In preparing the advisory planning handbook, the office  
2 shall collaborate with the Office of Military Base Support within  
3 the Trade, Technology, and Commerce Agency. The office shall  
4 consult with persons and organizations with knowledge and  
5 experience in land use issues affecting military installations and  
6 activities.

7 (d) The office may accept and expend any grants and gifts from  
8 any source, public or private, for the purposes of this section.

9 *SEC. 10. This act is an urgency statute necessary for the*  
10 *immediate preservation of the public peace, health, or safety*  
11 *within the meaning of Article IV of the Constitution and shall go*  
12 *into immediate effect. The facts constituting the necessity are:*

13 *In order to enable the Office of Military Support to accept*  
14 *private funds at the earliest possible date, it is necessary that this*  
15 *act take effect immediately.*

